



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB0458

Introduced 1/29/2007, by Rep. John E. Bradley

#### SYNOPSIS AS INTRODUCED:

220 ILCS 5/17-800 new

Amends the Public Utilities Act. Creates the regional aggregation program that will be available to certain people receiving residential electric service from an investor-owned utility. Provides that a specified unit of local government may aggregate the retail electrical load located in its boundaries either individually or jointly with any other unit of local government authorized to participate in the program. Provides that a unit of local government or regional aggregator shall adopt an operation and governance program. Provides that a unit of local government or regional aggregator shall not require a license or permission from the Illinois Commerce Commission, nor shall it be subject to the jurisdiction of the Commission. Provides guidelines for a company's coordination with regional aggregators. Provides opt-in or opt-out notification requirements that are the responsibility of the unit of local government. Effective immediately.

LRB095 07712 MJR 27868 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Public Utilities Act is amended by adding  
5 Section 17-800 as follows:

6 (220 ILCS 5/17-800 new)

7 Sec. 17-800. Regional aggregation program.

8 (a) For purposes of this Section:

9 "Company" means any business entity that provides, or  
10 has provided, electric service in the pilot area within the  
11 6 months preceding the effective date of this amendatory  
12 act of the 95th General Assembly.

13 "Competitive service provider" or "CSP" means the  
14 company or entity chosen by a unit of local government or  
15 regional aggregator to provide electric power to  
16 residential customers in the pilot area.

17 "Customer" means any person in the pilot area.

18 "Pilot area" means any unit of local government  
19 situated within the counties of Alexander, Franklin,  
20 Gallatin, Hamilton, Hardin, Jackson, Jefferson, Johnson,  
21 Massac, Perry, Pope, Pulaski, Randolph, Saline, White,  
22 Williamson, and Union and does not mean any portion of  
23 these areas that receive electric service from a municipal

1 cooperative or rural cooperative.

2 "Regional aggregator" means a person or entity  
3 authorized by the governing bodies of 2 or more units of  
4 local government that are entirely within the pilot area to  
5 join the bodies into a single purchasing unit to negotiate  
6 the purchase of electricity from retail electric  
7 providers.

8 (b) The program created under this Section shall be  
9 available to all people in the pilot area receiving residential  
10 electric service from an investor-owned utility, but shall not  
11 be available to customers that receive residential electric  
12 service from a municipal cooperative or a rural cooperative.

13 The unit of local government or regional aggregator must  
14 notify customers of their eligibility to participate.

15 (c) Beginning July 1, 2007, a unit of local government  
16 within the pilot area may aggregate the retail electrical load  
17 located in its boundaries either individually or jointly with  
18 any other unit of local government authorized under this  
19 Section to participate in the program. A corporate authority of  
20 a unit of local government within the pilot area seeking to  
21 form an aggregation group made up of one or more units of local  
22 government within the pilot area shall adopt an ordinance,  
23 under which it may aggregate one or more classes of the retail  
24 electrical loads. The ordinance shall specify whether the  
25 aggregation will occur only with the prior affirmative  
26 acceptance (opt in) of each electric account holder or will

1 occur automatically for all such electric account holders  
2 unless the account holder declines (opt out).

3 Before adopting an ordinance under this Section, the unit  
4 of local government shall hold at least one public hearing on  
5 the plan. Before the first hearing, the unit of local  
6 government shall publish notice of the hearings once a week for  
7 2 consecutive weeks in a newspaper of general circulation in  
8 the jurisdiction. The notice shall summarize the plan and state  
9 the date, time, and location of each hearing.

10 (d) The unit of local government or regional aggregator  
11 shall adopt an operation and governance plan for the program.  
12 The operation and governance plan adopted shall detail the  
13 services to be provided under the aggregation and specify all  
14 customer rights and obligations under the aggregation. The plan  
15 shall be sufficiently detailed to allow customers to readily  
16 understand the services that the regional aggregator is to  
17 provide and to compare those services to similar services  
18 provided by other electricity providers. The regional  
19 aggregator shall write the plan in clear and plain language so  
20 that consumers can readily understand it. The plan shall  
21 contain all of the following:

22 (1) A detailed description of services the regional  
23 aggregator is to provide under the aggregation, noting  
24 whether the service is to be provided directly by the  
25 regional aggregator or by a party contracted by the  
26 regional aggregator.

1           (2) A detailed description of the regional  
2 aggregator's plan for providing the required opt-out  
3 disclosure notices to customers. The plan shall describe  
4 the steps that the regional aggregator will take to ensure  
5 that all customers within the regional aggregator's  
6 boundaries are notified. The plan shall also identify the  
7 time frames associated with the opt-out disclosure notice.

8           (3) A detailed description of the regional  
9 aggregator's customer service procedures and dispute  
10 resolution processes.

11           (4) A detailed description of the policies associated  
12 with a customer moving into the aggregation area or within  
13 the aggregation area. If the policies provide that these  
14 customers will be automatically included in the  
15 aggregation, the regional aggregator shall provide the  
16 customer an opportunity to opt out of the aggregation.

17           (5) A description of the regional aggregator's  
18 policies regarding the ability of a customer who has  
19 previously opted out of the aggregation to join the  
20 aggregation, including identification of any associated  
21 conditions.

22           Any customer who leaves the aggregation program shall  
23 default to the bundled utility service until the person chooses  
24 an alternative supplier or returns to the aggregation program.

25           A regional aggregator shall keep its operation and  
26 governance plan available for public inspection and shall, upon

1 request, provide a copy of the plan to any existing or  
2 potential customer of the aggregation.

3 A regional aggregator shall not alter its operation and  
4 governance plan in any way that materially affects the  
5 customers of the aggregation without first providing notice to  
6 all affected customers and providing these customers the  
7 opportunity to opt out of the aggregation according to the  
8 procedures established for the initial opt out disclosure  
9 notice. The notice shall set forth the changes to the plan,  
10 inform the customer of its right to opt out of the aggregation  
11 without penalty and identify the method and time frame for the  
12 customer to opt out.

13 (e) A unit of local government or regional aggregator shall  
14 not require any license or permission from the Commission nor  
15 shall it be subject to the jurisdiction of the Commission.

16 (f) A company must provide the unit of local or regional  
17 aggregator with a list of all eligible customers within the  
18 jurisdictional boundaries of the unit of local government. The  
19 list shall contain information consistent with the information  
20 required by the unit of local government to facilitate customer  
21 communications. The unit of local government or the regional  
22 aggregator must be provided with an updated customer list from  
23 the company every 3 months. The company will provide  
24 coordination services consistent with Federal Energy  
25 Regulatory Commission guidelines. The company must provide  
26 customers participating in the pilot area with information

1 about changes in the market price and wires charges.

2 (g) It is the responsibility of the unit of local  
3 government, or its designee, to notify customers prior to  
4 enrollment of all of the following:

5 (1) Actions taken to select the CSP.

6 (2) Services that the CSP will provide and actual terms  
7 and conditions under which the CSP is providing those  
8 services.

9 (3) Fixed prices are to be expressed in cents per  
10 kilowatt-hour. Variable rates must include a description  
11 of factors that cause the rate to vary and how often this  
12 will occur.

13 (4) Information comparing rates by the current  
14 electric provider and the CSP.

15 (5) Itemized list of fees and charges, if any, that are  
16 not included in the rates.

17 (6) Dates covered by the CSP's offer.

18 (7) Statement that explains that, if the customer  
19 switches back to service with the company, the customer  
20 will return to the rates that will be in effect in the area  
21 at the time the customer switches back.

22 (8) Credit and deposit policies.

23 (9) Limitations or conditions for customer inclusion.

24 A unit of local government or a regional aggregator shall  
25 not enroll a person as part of an opt-out program unless it  
26 clearly discloses, prior to the aggregation taking effect,

1       that the person will be enrolled automatically in the  
2       aggregation program and will remain so enrolled unless the  
3       person affirmatively elects by a stated procedure not to be  
4       enrolled.

5           (10) Explanation of opt-in or opt-out process steps  
6       necessary to exercise the customer's option and any  
7       associated timeframe for a response. The process must, at a  
8       minimum, allow for the return of a post card to the CSP and  
9       must allow at least 21 calendar days from the date of the  
10       postmark for the customer to respond.

11           (11) A local or toll-free telephone number for  
12       questions.

13       The unit of local government or the regional aggregators  
14       shall not release to the CSP any information pertaining to any  
15       customers that are not active participants in the pilot  
16       program. The unit of local government or regional aggregator,  
17       or its designee, must maintain a record of the customer's  
18       opt-in or opt-out decision for the term of the pilot program.

19           Section 99. Effective date. This Act takes effect upon  
20       becoming law.